

84-4398

DDI- 06888-84

17 DEC 1984

DDC / Chrono

MEMORANDUM FOR : Deputy Director of Central Intelligence

VIA : Director of Personnel

FROM : Robert M. Gates
Deputy Director for Intelligence

SUBJECT : SIS Sabbatical

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1. Action requested: Approval of the attached SIS sabbatical proposal submitted by

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2. Background: is in his twentieth year with the Agency. In 1965 he started as an analyst in the Foreign Missiles and Space Analysis Center (FMSAC). FMSAC has, through several iterations, evolved to OSWR. In 1970 began a five-year assignment then two years in OD&E and three years in CRES. After a one-year tour to the Department of Energy in 1980, he was assigned to his present position as chief of the IPC Staff. formal education is in aerospace engineering, having attended the Universities of Colorado, Southern California, and Minnesota where he received the Ph.D. in 1962. Before coming to the Agency he worked at Lockheed Missiles and Space and at Boeing. He was a visiting professor

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3. Staff position: In his proposal is quite correct in stating that over the years there has been a search for a better way to make procurement decisions on new collection systems, and that so far this search has been unsuccessful. I agree also that the obstacles are largely managerial, not technical. While the entrepreneurial approach has served us quite well by and large, we cannot continue to

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rely solely on the old methods. Satellite systems are becoming more costly and more multi-purpose, so that with anticipated funding constraints we will have fewer kinds of systems and each decision will be much more critical to our overall capability. How we make these decisions is a vital and far-reaching issue. [] suggested approach is risky, in that it is not at all clear to what extent the methods of industry can be effectively transferred to government. But the cost is low, and the potential payoff is great, certainly much greater than many PEIs which can cost 30 to 40 times more. Furthermore, [] is well qualified -- in terms of background, training, experience and capability -- to undertake such an investigation. I endorse his sabbatical proposal and recommend your approval []

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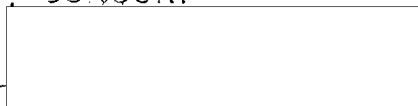
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Robert M. Gates

Attachment:
SIS Sabbatical Request

CONCUR:



Director of Personnel

DEC 26 1984

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Subject is 51 year old
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PAR of "6." good
candidate. R.

APPROVED:

/s/ John W. McMahon

27 DEC 1984

Deputy Director of Central Intelligence

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SUBJECT: SIS Sabbatical

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MEMORANDUM FOR : Deputy Director for Intelligence
THROUGH : Associate Deputy Director for Intelligence
FROM :
Chief, IPC Staff
SUBJECT : SIS Sabbatical Request(U)

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1. This memorandum presents for your consideration a sabbatical program directed at the problem of making responsible decisions regarding the procurement of major new collection systems. This program will focus on the management aspects of this problem, primarily by examining how successful senior managers in the private sector accomplish decision making, and how these processes might be transferred to government operations. I request your endorsement, signified by signing the accompanying transmittal memorandum to the DDCI. (U)

2. From time to time over the past twenty years the DCI and other senior Community managers have expressed interest in improving the way in which collection program decisions are made. The usual response is the development of some scheme whereby intelligence analysts are asked their opinion, together with an aggregation process to provide an overall sense of value. Of course, the collection program managers normally do talk to the analysts when new collection concepts are being proposed. But in keeping with the entrepreneurial approach of the collectors, only affirmative responses are recorded and reported. This usually works fine as long as funding constraints do not force program trade-offs. It is only when difficult choices are in the offing, or when it is evident that wrong decisions were made in the recent past, that a comprehensive process of analyst polling is suggested. This is the situation in which we now find ourselves. ()

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3. No conceptual, and few practical, obstacles stand in the way of a quick, reliable, and accurate process for involving the analysts in collection system evaluation. A complete set of requirements is potentially available through the Future Intelligence Requirements Forecast. Modern computer applications, with relatively straight-forward software developments, will allow individual analysts to register their judgments of the actual or anticipated collection contribution of any or all available or proposed systems. Aggregation can be accomplished in almost real time. [REDACTED]

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4. What then stands in the way of applying such a process to actual decisions? Only senior managers' reluctance to use the results. A past director of a national program office put it very clearly and succinctly. After being a participant in the design and implementation of an analyst-polling process, when the final judgment did not match his intuitive choice, he asked "What do the analysts know, anyway?" And his final decision was based on his own intuition [REDACTED]

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5. So the real problem is not one of involving the analysts. We know how to do this, and it certainly must be part of any process. Rather, the problem centers on devising a way to involve the managers; to have them agree to use, and to actually use, the analysts' judgments as to the value of collection. We need to find a way to encourage senior collection managers to admit that the analysts, when given sufficient information, really do know what they are talking about. Indeed, we must make the managers believe that only the analysts can realistically judge collection performance and contribution. [REDACTED]

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6. None of this is straight-forward; much of it may not even be possible. But there are significant benefits to be gained if even a partial solution can be found. I feel it is worth the risk of a small investment. Consequently, I propose a sabbatical program to examine how industry makes key programmatic decisions, and to develop a parallel decision concept for the Intelligence Community. This will involve visits to a number of successful private companies and interviews with the senior officials to determine how they think through their major decisions, what staff support is provided, how confidence in staff judgments is maintained, how conflicting recommendations are handled, and how decisions are implemented and progress monitored. I will also take several courses in program management at a local university. [REDACTED]

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7. A major task will be to find a measure of collection value which is analogous to the profit measure used in industry. I will not, however, develop a specific process for obtaining analyst involvement. This is already being addressed by CRES and the IPC Staff. Rather, I will describe a process which starts with aggregated analysts' views and carries these through to an NFIP decision by the DCI. [REDACTED]

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8. The attachment provides details of the sabbatical program, which will extend for eleven months and cost approximately \$20,000 in addition to my salary. If successful the results will have broad and significant benefit to the Community for many years to come. This will of course depend not only on my report, but also on the willingness and ability of Community officials to implement a set of procedures which will make arbitrary decisions more evident and therefore more difficult. Upon completion of the sabbatical I would expect to be assigned to lead the implementation team.

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SIS Sabbatical -

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1. OBJECTIVE - to develop a management concept which will use analyst judgments to make collection system procurement decisions.
2. SUB-TASK - to devise a measure of collection utility, analagous to the profit measure of industry, for cost-benefit decisions.
3. DURATION - eleven months, commencing mid- January 1985.
4. COMPANIES TO BE VISITED -
 - a. The Boeing Company
 - b. Digital Equipment Corporation
 - c. General Electric Company
 - d. Hewlett Packard
 - e. IBM
 - f. Lockheed Missiles and Space Company
 - g. Texas Instruments
 - h. 3M
5. COURSES TO BE TAKEN - George Washington University
 - SPRING, '85
 - E.Ad. 231 Program Management
 - E.Ad. 255 Administration of Research and Development
 - SUMMER, '85
 - E.Ad. 269 Elements of Decision Making and Problem Solving
 - E.Ad. 297 Problems in Engineering Administration

FALL, '85

E.Ad. 281 Systems Analysis and Management I

E.Ad. 288 Technology Issue Analysis

E.Ad. 386 Advanced Topics in Management

6. COST ESTIMATE -

a. Travel - one visit to each of the eight companies, with
follow-up trips to four companies.

12 trips of 5 days each

air fare, @ \$500 each trip	\$6000
lodging, @ \$300 each trip	3600
meals, @ \$100 each trip	1200
car, @ \$200 each trip	2400

	\$13200

b. Study -

21 semester hours of courses @ \$198 each	\$4158
books - 7 courses @ \$75 each	525
incidental fees at GWU	150

	\$4833

c. Supplies and services -

supplies from the stock room

computer services from standard programs

no extra charge

d. Total cost = \$18,033